(f) what steps Government propose to correct the situation?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) The last Pay Committee for executives and non-unionised supervisors of Central Public Sector Enterprises (CPSEs) was constituted on 10.12.1996.

(b) and (c) Based on the recommendations of the last Pay Committee guidelines dated 25.6.1999 were issued by the Department of Public Enterprises. Pay revision has been implemented by the CPSEs which satisfy the conditions indicated in the guidelines.

(d) Some of the sick/loss making companies have not implemented the revised scales of pay.

(e) and (f) the Government has enhanced the *ex-gratia* under Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS) in respect of employees in CPSEs at 1.1.1987 and 1.1.1992 levels by 100% and 50% respectively with effect from 6.11.2001.

Capacity utilisation of wagon industries

640. SHRI T.T.V. DHINAKARAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that the capacity utilization of rail wagon, wheelsets etc. manufacturing units in Public Sector is very low;

(b) if so, the details thereof and the reasons therefor;

(c) whether this has resulted in any unit being declared sick; and

(d) the steps taken to increase capacity utilization?

THE MINISTER OF STATE IN THE DEPARTMENT OF HEAVY INDUSTRIES, MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRIMATI KANTI SINGH): (a) and (b) The capacity utilization in case of rail wagon manufacturing units of Public Sector has been low. However, the wheelsets manufacturing units of Public Sector *i.e.* Rail Wheel Factory (RWF), Bangalore and Steel Authority of India (SAIL), Durgapur have been working to their full capacity;

Major resons for low capacity utilization by rail wagon manufacturing in Public Sectors are:

1. Delayed and inadequate receipt of matching free-supply items like Bogies, Couplers, Wheelsets, Steel & Bearings;

2. Shortage of working capital for purchase of bogies and couplers from outside vendors;

3. Fall in wagon prices due to adoption of open tender policy by the Railways making some of the PSEs uncompetitive due to high overheads coupled with increase in input price; and

4. Lack of consistent supply order by major consumers; etc.

(c) the wagon manufacturing CPSEs *i.e.* Burn Standard Co. Ltd. (BSCL), Braithwaite & Co. Ltd. (BCL), Bharat Wagon & Engg. Co. Ltd. (BWEL) and Bridge & Roof Co. (India) Ltd. (B&R) became sick on account of poor capacity utilization, apart from other related factors.

(d) The Government has been considering the revival/restructuring of wagon manufacturing companies and has already sanctioned the revival/ restructuring scheme for Braithwaite & Company Limited (BCL) and Bridge & Roof Co. (India) Ltd.

Surplus material stock with PSUs

641. SHRI MOTIUR RAHMAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the inventory of raw material in stock has been found to be more than annual consumption blocking substantial funds in working capital;

(b) if so, the number of PSUs in which the inventory has been found to be more than annual consumption; and

(c) Government's reaction thereto?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) to (c) As per available information as on 31.3.2005, out of 227 operating Central Public Sector Enterprises (CPSEs), there were only 6 CPSEs which were having inventory of raw material at the end of the financial year more than their annual consumption. Out of these 6 CPSEs, 4 CPSEs are consistently profit making and because of their nature of operations/activities these CPSEs, at times, may require to hold more inventory. Other 2 CPSEs are loss making and utilizing very minimum capacity and already referred to Board for Reconstruction of Public Sector Enterprises (BRPSE) for their reival/restructuring.